

than the copper money of which it was the representative. The pretext was maintained for a time that the paper was simply the coined certificate for the copper, and the notes, which were known as *assignats*¹ were at a slight premium. Bureaus were established at St. Petersburg, Moscow, and in the provinces for the redemption of the paper, which may be considered forerunners of the Bank of Russia. A ukase of January 10, 1774, prescribed that the limit of 20,000,000 roubles (\$15,400,000) should never be exceeded in the issue of paper money. This pledge was disregarded, as most such limits upon paper issues have been, and after the limit had been raised to 100,000,000 roubles (\$77,200,000) on June 26, 1786, in order to obtain resources for war with Turkey, the depreciation began. The price of the silver rouble had risen before the end of the century to 1.47 in paper roubles and the prices of merchandise had followed the upward course of the precious metals. The government endeavored to protect itself, at the same time that it recognized the depreciation of the paper, by a ukase of June 23, 1794, raising the capitation tax paid by the peasants, ^{1c} in view of the fact that the increased price of all products permits them to earn more by cultivation and other work." *

The four most serious efforts to rescue the monetary system of the country from the mire of irredeemable paper were made in 1817, 1839, 1860, and 1881. The first attempt was made by means of loans placed both abroad and at home, of which a part of the proceeds was to be applied to the retirement of the paper circulation. The Emperor Alexander I, after the peace of Tilsit in 1810, recognized all the outstanding notes as a public debt, pledged the public faith to their redemption, and declared that no more paper money should be issued. The circulation, notwithstanding these pledges, climbed upward from 577,000,000 roubles in 1810 to 836,000,000 roubles in 1817. It was then that the loans

¹ Paul Leroy-Beaulieu's *La Science des Finances*, II., 656. The rouble was the exact equivalent of four francs in French money (\$0.772) and exchange on Paris at par was quoted in the form of 400 francs for 100 roubles.